

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE BIG SANDY)	
WATER DISTRICT TO ISSUE SECURITIES IN)	
THE APPROXIMATE PRINCIPAL AMOUNT OF)	
\$495,000 FOR THE PURPOSE OF REPLACING)	CASE NO.
CERTAIN OUTSTANDING REVENUE BONDS OF)	2000-191
THE LAWRENCE COUNTY WATER DISTRICT)	
BEING ASSUMED BY THE BIG SANDY WATER)	
DISTRICT PURSUANT TO THE PROVISIONS OF)	
KRS 278.300 AND 807 KAR 5:001)	

ORDER

On April 24, 2000, Big Sandy Water District (“Big Sandy”) submitted its application for authority to issue certain securities, as required by KRS 278.300, in the principal sum not to exceed \$495,000 for the purpose of replacing the outstanding Lawrence County Water District Waterworks Revenue Bonds, Series 1997, dated September 18, 1997. Big Sandy assumed the Lawrence County Water District (“Lawrence County”) Bonds as a part of the transfer of ownership and control approved by the Commission in Case No. 99-481.¹ The proposed bonds will carry an interest rate of 4.5 percent per annum and mature on January 1, 2001 through 2037 as would the existing bonds.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that Big Sandy’s proposal to issue these bonds for purposes

¹ Case No. 99-481, The Joint Application of Lawrence County Water District and Big Sandy Water District for Authorization and Approval of the Proposed Transfer of Ownership and Control of All Lawrence County Water District’s Water System Property Assets and Funds to Big Sandy Water System.

of replacing the outstanding bonds is for a lawful object within Big Sandy's corporate purpose, is necessary, is appropriate for and consistent with the proper performance of its service to the public, and should therefore be approved.

IT IS THEREFORE ORDERED that:

1. Big Sandy is authorized to issue bonds for an amount not to exceed \$495,000, at an interest rate of 4.5 percent per annum.

2. Big Sandy shall, within 30 days after issuance of the securities, advise the Commission in writing of the date or dates of issuance of the securities, the price paid, the interest rate, the purchasers, and all fees and expenses, including underwriting discounts or commissions, or other compensation involved in the issuance and distribution.

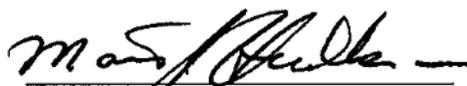
3. The proceeds from the transactions authorized herein shall be used only for the lawful purposes specified in Big Sandy's application.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 20th day of June, 2000.

By the Commission

ATTEST:


Executive Director